

## **EXHIBITS 23 TO 29**

## **EXHIBIT 23**

68 of 143 DOCUMENTS

Copyright 2000 Agency WPS  
What The Papers Say (Russia)

March 28, 2000, Tuesday

**SECTION: PRESS EXTRACTS**

**LENGTH:** 1419 words

**HEADLINE:** THE WAR COFFERS OF THE CHECHEN TERRORISTS

**SOURCE:** Moskovskie Novosti, March 2000

**BYLINE:** Anatoly Ovchinsky, Vladimir Ovchinsky

**HIGHLIGHT:**

WHY ARE CHECHEN TERRORISTS, CURRENTLY HARD-PRESSED BY THE ARMED FORCES OF SUCH A LARGE STATE AS RUSSIA, STILL CAPABLE OF FIGHTING? AT WHOSE EXPENSE ARE THEY REPLENISHING THEIR ARSENALS? THE ANSWER TO THESE QUESTIONS IS OFFERED BY DR. ANATOLY OVCHINSKY AND DR. VLADIMIR OVCHINSKY, WHO ARE RESEARCHING INTERNATIONAL TERRORISM IN CHECHNYA.

**BODY:**

We tried to construct a model of international terrorism established in Chechnya by the Dudaev and Maskhadov regimes. We paid special attention to calculations of the funds accumulated by terrorists in order to finance various levels of their destructive activities. Table 1 shows that as the spheres of terrorists' activities grow more and more complicated, their financial resources are steadily increased.

Analysis of the dynamics of these processes has shown that the basic funds were received during the first two levels of destruction, namely the level of destroying social infrastructure and undermining the economic foundations, not only in Chechnya but also in Russia as a whole. As early as 1991-92 over 1,200 murders for gain were committed in Chechnya, their aim being to seize property and money. This murder rate is ten times higher than in 1989-90. Since then, murdering for money or property and hostage-taking for ransom have become the basic elements of securing funds for the upper (in our table - lower) levels of terrorist activities. These practices spread to all of Chechnya and republics adjacent to it. In the next few years the number of major crimes committed for gain grew steadily in Dagestan, Kabardino-Balkaria, Ingushetia, North Ossetia, and the Stavropol Territory. According to official reports, from 1995 until the beginning of the invasion of Dagestan in the fall of 1999, over 1,700 people were kidnapped in the North Caucasus (according to unofficial sources, over 2,000 people were kidnapped there over that period of time). The ransom demands fluctuated from \$10,000 to over \$1 million per victim. Thus, the terrorists might have received \$200-300 million from kidnappings alone.

A substantial amount of funds was gained by the terrorists under the Dudaev regime, by robbing trains on the Grozny stretch of the North Caucasus Railroad. During 1993-94 alone, the aggregate damage from this sort of gangsterism exceeded \$4 million.

On the second, economic level of destruction the major sphere of terrorists' business became illegal sales of oil and oil products. In 1991-94 no less than 40 million tons of oil was sold. All the money gained was spent on purchasing arms, creating terrorist bases and training camps, and establishing international contacts.

During the same period, the terrorist coordination centers organized and carried out embezzlement on an unprecedented scale (no less than \$600 million) using letters of credit and "Russia" checks. Simultaneously, Chechnya became the major transfer point for smuggling diamonds and gold stolen from Russian mines.

The mechanisms of accumulating funds for the terrorist coffers covered practically all the major Russian financial and economic centers. Prior to the beginning of the first Chechen campaign, no less than 20% of the Russian banking system, including banks based in Moscow, was under full control of terrorists.

What The Papers Say (Russia) March 28, 2000, Tuesday

By the end of 1994 the sums collected by these means could already provide for the other levels of destruction, namely political destabilization in Russia, disintegration of this country's state system and spiritual foundations, and also disruption of established international relations. At that time, international Islamic extremist centers and transnational companies competing with Russia had already recognized the terrorist regime in Chechnya as an equal partner for the purpose of attaining their geostrategic goals. According to expert appraisals, in 1994 and 1995 the Chechen regime received between \$1.5 billion and \$2 billion from foreign NGOs exclusively for terrorist operations to disrupt the flow of oil.

After the 1996 Khasavyurt oil agreements the Maskhadov regime started to receive assistance from two directions at once - from the ideologists of the so-called "Universal Islamic Revolution" for the purpose of creating a united Islamic state in the Caucasus, and from transnational financial structures for the purpose of establishing control over the routes of Caspian oil. The fulfillment of these two plans required investments of tens of billions of dollars into the Chechen terrorist regime, but those investments were meant to bring in profits of hundreds of millions of dollars within a few years.

According to the terrorists' plans, using such great sums should have completely split the entire North Caucasus from Russia, created an analogous Islamic state in the Volga area, and established full control over diamond and gold extraction in Russia and no less than 50% of the entire Russian banking system.

Table 1

The amount of terrorists' financial resources depending on the sphere of their activities. The complication of the spheres increases from top to bottom, so do the resources.

1. Social terrorism: \$1,000

destruction of the foundations of society

(kidnapping, trafficking and sexual exploitation of women, gangsterism, blackmail, slavery);

2. Economic terrorism: \$10 million

undermining the economic infrastructure

(corrupting the branches of power, financial fraud, embezzlement of state funds);

3. Political terrorism: \$100 million

political destabilization (separatism, nationalism);

4. State terrorism: \$1 billion

disintegration of the state system

(establishing zones of piracy, local wars, gangster invasions);

5. Moral terrorism: \$10 billion

attacks on morale

(information terrorism, religious expansion, deideologization);

6. International terrorism: \$100 billion

destruction of international relations

(abolition of credits, closing down oil transport routes, import and export embargoes, deprivation of investments).

Table 2

International sponsors of Chechen terrorists (1991-2000)

Albania: Mak-Albania, Vakefi Islamik, Teliba, Al-Kharamain;

Algeria: the Islamic Salvation Front (IFS), the Armed Islamic Group;

Afghanistan: the Taliban movement, the Islamic Party of Afghanistan, the Al-Kaida (Support) organization;

## What The Papers Say (Russia) March 28, 2000, Tuesday

Bosnia & Herzegovina: the Organization of Bosnian Muslim Youth, the Oil Travnik factory and the Baddar Bosna combine, the BiG Information and Documentation Agency;

Bulgaria: the Movement for Rights and Freedoms, the Supreme Muslim Council;

Germany: the German-Caucasus Society, the Herbera firm;

Great Britain: the London branch of Vainakh, International Alert, the Emigrant Movement, Info Software 2000 Ltd., the Center of Islamic Education;

Egypt: Al-Jihad-Al-Islamii, Al-Jihad;

Iran: the Nakshbandia Sufi cult, the Kaderia Sufi cult, the Adherents to Sunna organization;

Jordan: the Islamic Salvation Front (FIS), the Chechen and Caucasus-Circassian communes, a branch of the Persian Gulf Bank, the Islamic Liberation Party, the Circassian Charity Society;

Kuwait: the Society for Social Reforms, the Kuwaiti Charitable Organization for Restoration of Islamic Heritage, the At-Tablig val-Irshad organization, the Islamic Constitutional Movement, the Asian Muslim Committee, the Teiba charity foundation;

Lebanon: the Organization of Islamic Ulems,

Morocco: the Islamic Conference,

Pakistan: Djaamat-I-Islami (Djaama Islamiya), Djaamat-e-Ulema Islam-DUI, the Society of Pakistani Ulems, the Association of Pakistani-Chechen Friendship, the World Jihad Front, the Safa organization, the Allah's Grace organization, the Mojaheddin Movement, the Forces of Victory group, the Youth Wing association;

Palestine: Hamas, Al-Jihad al Ismyamii, the "Irreconcilable" groups, Djamaa Islamiya va Taukhid, Asbat al-Ansar, Djaamat al-Irshad, Djamaat al-Ittikhad;

Poland: the Chechen Information Center, the Poland-Chechnya Committee;

Qatar: the Qatar Charitable Society;

Saudi Arabia: the International Islamic League, Djamaat-ad-Dagestaniin-al-Kudama, the Muslim Brothers, the Islamic Congress, the Committee for Assistance with Victory of the Dagestani Muslims, Daava Islamiyi, the Al-Kharamain the Two Relics Foundation, Al-Igasa (the International Islamic Organization for Salvation), the International Assembly of the Islamic Youth;

Turkey: the Shamil Foundation, Djamaat-ad-Dagestaniin-al-Atrak, the True Way organization, the Hearths of Islamic Order organization, the Middle-East Turkic Union, the Foundation of Friendship between Turkey and Saudi Arabia;

United Arab Emirates: the regional bureau of the Daava Islamiya Islamic Slogan organization;

US: the Caucasus-American Chamber of Commerce and Industry, the Islamic Banking Group in Chechnya, the Supreme Islamic Council of America;

Yemen: the Islakh party, the Group of Salvation.(Translated by Andrei Bystrov)

**ORIGINAL-LANGUAGE: RUSSIAN**

**LOAD-DATE: March 28, 2000**

120SG5

\*\*\*\*\* Print Completed \*\*\*\*\*

Time of Request: May 31, 2005 01:08 PM EDT

Print Number: 1862:46665202

Number of Lines: 100

Number of Pages: 3

Send To: WTCELLIOTT, COZEN  
COZEN O'CONNOR  
1900 MARKET ST  
PHILADELPHIA, PA 19103-3527

## **EXHIBIT 24**

1 of 1 DOCUMENT

Copyright 2000 Associated Press  
All Rights Reserved  
Associated Press Worldstream

These materials may not be republished without the express written consent of The Associated Press

May 19, 2000; Friday

**SECTION:** International news

**LENGTH:** 950 words

**HEADLINE:** Military warns of new rebel offensive in Chechnya

**BYLINE:** YURI BAGROV

**DATELINE:** NAZRAN, Russia

**BODY:**

A spate of attacks on Russian facilities in the Chechen capital Grozny could mark the beginning of a new offensive ordered by rebel leader Aslan Maskhadov, military officials said Friday.

Rebels attacked Russian Interior Ministry offices in three districts of the city and fired on four military outposts Thursday night, the military command said, according to the ITAR-Tass news agency.

"The high intensity of firing at federal forces deployed in Grozny suggests that the militants have started implementing Aslan Maskhadov's order to intensify subversive and terrorist activity," the military command's press service said. It did not give casualty figures in the attacks.

The military has been saying for the past week that Maskhadov, the Chechen president, has ordered rebels to step up their guerrilla campaign against Russian forces starting Friday. But many rebels operate outside Maskhadov's control, and it wasn't immediately clear who attacks the federal troops in Grozny.

The press service said, "Chechen extremists are continuing their resistance and terrorist attacks aimed at forcing the Russian army to end its anti-terrorist operations, pull out of Chechnya and start talks without preconditions."

Russia has said it will consider talking with the rebels, but only if they surrender their weapons, turn over suspected hostage-takers and give up their push for Chechen independence.

The press service said the rebels were laying mines on roads used by military convoys and civilian transportation in western Chechnya. Rebels also tried to hide in populated areas of eastern Chechnya, but villagers rebuffed their attempts to infiltrate, the service said.

Federal forces discovered and destroyed a rebel munitions depot near the village of Shatoi in the southern mountains, the press service said. The troops seized 18 submachine guns, two high-caliber machine guns, four grenade launchers, six anti-tank grenade launchers, two hand grenades, more than 1,000 cartridges and five anti-tank missiles, it said.

In Moscow, the Interior Ministry's press service said Kamil Mirzabekov, the son of a former prime minister of Dagestan, had been freed from captivity in Chechnya.

Mirzabekov was taken hostage 13 months ago, and his abductors had demanded a \$25 million ransom.

Russian troops entered Chechnya in September after Chechnya-based Islamic militants seized several villages in Dagestan, a Russian region that borders Chechnya to the east. Moscow also blamed Chechens for apartment bombings in Russia last September that killed about 300 people.



Associated Press Worldstream May 19, 2000; Friday

(str/jai/nw)

Russian positions in the ruined Chechen capital Grozny came under fire in a spate of hit-and-run rebel attacks, in what may mark the beginning of a rebel counteroffensive, military officials said Friday.

Chechen fighters slipped through Russian lines and apparently hid in the crumbling wasteland of bombed-out houses to stage the attack Thursday evening. Insurgents fired on Interior Ministry soldiers in three separate districts in the city, the military command said, according to the ITAR-Tass news agency.

The guerrilla fighters also shot at four army guard posts before being beaten back into hiding places within the city, the report said.

Small fire fights are commonplace on most nights in Grozny, but the shootout marked an unusually violent outburst for the city since rebels abandoned it in February and Russian troops took control. Russia said Chechen President Aslan Maskhadov may have ordered Thursday's attacks.

"The high intensity of firing at federal forces deployed in Grozny suggests that the militants have started implementing Aslan Maskhadov's order to intensify subversive and terrorist activity," the military command's press service said in a statement quoted by the news agency.

The report did not mention casualties on either side and could not be independently confirmed.

The military has been saying for a week that Maskhadov has ordered rebels to step up their guerrilla campaign against Russian forces starting Friday. But many rebels operate outside Maskhadov's control, and it wasn't immediately clear who attacked the federal troops in Grozny.

Also Friday, Russia's Federal Security Service (FSB) said it has identified a key source of financing for the Chechen fighters. The intelligence agency has made similar claims in the past, and attributed the rebels' success to help from many quarters including the Baltic countries, Ukraine and Afghanistan, but provided no solid proof.

The FSB said Friday that the Islamic charity Al-Haramain, based in Riyadh, Saudi Arabia, has channeled funds to the Chechen rebels since 1997, the Interfax news agency reported.

The FSB said the group, which has come under suspicion elsewhere of overstepping its humanitarian goals and instead funding violence, helped supply Maskhadov and leaders of rebel units with weapons, food, medicine and cash.

Al-Haramain's web site says it sends food and blankets to Chechnya and Chechen refugees through its office in the nearby former Soviet republic of Azerbaijan, and sponsors Islamic studies throughout the Caucasus region. The site does say anything about providing weapons or cash and does not advocate violence.

Al-Haramain was among six Islamic charities which authorities in Kenya banned from that country in 1998 on suspicion of involvement in the bomb attack on the U.S. Embassy in Nairobi.

Russian troops entered Chechnya in September after Chechnya-based Islamic militants seized several villages in Dagestan. Moscow also blamed Chechens for apartment bombings in Russia last September that killed about 300 people.

(pvs/ak/adc)

**LOAD-DATE:** May 19, 2000

120SG5

\*\*\*\*\* Print Completed \*\*\*\*\*

Time of Request: May 31, 2005 12:29 PM EDT

Print Number: 1862:46658572

Number of Lines: 73

Number of Pages: 2

Send To: WTCELLIOTT, COZEN  
COZEN O'CONNOR  
1900 MARKET ST  
PHILADELPHIA, PA 19103-3527

## **EXHIBIT 25**

1 of 1 DOCUMENT

Copyright 2000 RBC Network Corp. All Rights Reserved  
RosBusinessConsulting Database

June 26, 2000 Monday

**LENGTH:** 137 words

**HEADLINE:** FSB Says Money Collected For Chechen Rebels Goes To Private Accounts Of Basayev And Khattab

**BODY:**

Most of the money being collected by Muslims to support Chechen rebels goes directly to private foreign bank accounts of Chechen field commanders, including Basayev and Khattab. Their families were brought to the United Arab Emirates and other countries of the Middle East and are supported by Muslim donations. According to FSB data, financing of rebels and mercenaries in Chechnya is being rendered mainly through the Islamic Al Haramain Foundation which emissaries are assigned to Maskhadov's staff. Russian special services have information that financing of Chechen rebels is being carried out through these emissaries. They are involved in weaponry, food and medical supplies. They also arrange treatment of wounded rebels and pay for operations against federal forces, the Echo of Moscow radio broadcast.

**LOAD-DATE:** November 2, 2001

120SG5

\*\*\*\*\* Print Completed \*\*\*\*\*

Time of Request: May 31, 2005 12:30 PM EDT

Print Number: 1862:46658738

Number of Lines: 25

Number of Pages: 1

Send To: WTCELLIOTT, COZEN  
COZEN O'CONNOR  
1900 MARKET ST  
PHILADELPHIA, PA 19103-3527

## **EXHIBIT 26**

5 of 30 DOCUMENTS

Copyright 2004 Associated Press  
All Rights Reserved

The Associated Press

These materials may not be republished without the express written consent of The Associated Press

June 6, 2004, Sunday, BC cycle

**SECTION:** International News

**LENGTH:** 1758 words

**HEADLINE:** AP Exclusive: Al-Qaida continues to siphon money from Islamic charities to fund attacks despite U.S., Saudi crackdown

**BYLINE:** By MATTHEW ROSENBERG, Associated Press

**DATELINE:** NAIROBI, Kenya

**BODY:**

Al-Qaida has siphoned millions of dollars from Islamic charities that help poor Muslims in Africa and Asia, and U.S. and Saudi government efforts to cut the flow have largely failed, Western diplomats and former charity workers say.

Working with sympathizers inside the charities, al-Qaida has for years used humanitarian funds for terror attacks in Kenya, Tanzania and Indonesia, U.S. and other Western officials told The Associated Press.

In one case, donations to the Al-Haramain Foundation to support Islamic preachers ended up in the pockets of a suspect in the November 2002 bombing of an Israeli hotel in Kenya, a Western diplomat told AP.

A wholesale fish business financed with Al-Haramain funds also steered profits to the al-Qaida cell behind the August 1998 bombings of the U.S. Embassies in East Africa, U.S. officials told AP.

The officials, most of whom spoke on condition of anonymity, cited intelligence garnered from informants, interrogations of suspects, documents seized from charities and communication intercepts.

Al-Haramain, based in Saudi Arabia, provides the clearest example of a charity that has stayed open despite repeated attempts to shut it down overseas, including fresh moves this past week by the Riyadh government.

At its height, Al-Haramain raised \$40 million to \$50 million a year in contributions worldwide, the vast majority going to feed hungry Somali orphans, educate poor Indonesian students and help sick Kenyan children.

U.S. officials have privately conceded that only a small percentage of the total was diverted and that few of those who worked for Al-Haramain knew money was being funneled to Osama bin Laden's terrorist organization.

Still, the officials say money from Al-Haramain and other charities was - and continues to be - a major source of funds for al-Qaida.

The latest move against Al-Haramain came Wednesday when Saudi officials, under U.S. pressure, moved to dissolve the charity and create a commission to filter all contributions raised inside the kingdom to support causes abroad.

But Al-Haramain has deep roots - and wealthy benefactors - in countries where its branches are accused of helping finance al-Qaida. As pressure on the group has mounted in recent years, its foreign branches have increasingly turned to supporters outside the kingdom for money, said a U.S. intelligence official, speaking on the condition of anonymity.

"Vetting Saudi money is a start - it'll stop some money from getting to al-Qaida," said the official. "But it's no

The Associated Press June 6, 2004, Sunday, BC cycle

solution."

The United States has tried repeatedly to shut down Al-Haramain.

In 2002, the U.S. government blacklisted Al-Haramain's Bosnian and Somali branches - mandating the government to seize its assets and shut it down. A year later, the Saudi government, under U.S. pressure, demanded the charity close all its overseas branches.

This January, Al-Haramain branches in Indonesia, Kenya, Tanzania and Pakistan were put on U.S. and U.N. blacklists.

Al-Haramain's acting director, Dabbas bin Mohammed al-Dabbasy, said in May that all the charity's overseas branches were closed.

Yet in Kenya and Somalia the charity still appears to be running.

U.S. investigators believe the group is using new names in Kenya, having simply shifted its funds to fresh bank accounts, the intelligence official said. The official declined to provide names for fear of tipping off Al-Haramain officials who may believe they are working undetected.

Al-Haramain is keeping a low-profile in the East African country. A recent visitor to its Nairobi office was shooed away by a security guard who said it was closed, although there were parked cars in the driveway and dozens of pairs of shoes outside the front door.

A Kenyan Muslim preacher on Al-Haramain's payroll until February told AP he knows at least two Islamic preachers who are still being paid by the charity. The preacher, who was paid 8,000 Kenyan shillings, or just over \$100, a month, asked not to be identified for fear of retribution.

In parts of Somalia, a country without a central government, Al-Haramain remains active. In the northern port of Bossaso, the group is running a school, an internet cafe and a money transfer business down the street from the offices of the United Nations Children's Fund, said a foreign aid worker who was recently in the town.

The U.S. intelligence official said there is evidence Al-Haramain is still working with al-Qaida suspects in eastern Africa, especially in Somalia, where Islamic extremists have repeatedly sought safe haven. The official, however, refused to elaborate, saying it could compromise investigations into the charity's ties to al-Qaida.

The official said many Islamic charities that have been ordered shut down or are being investigated for terrorist ties are reopening under new names or staying open in areas where there is no government crackdown.

"Al-Haramain is doing both," the official said.

Juan Zarate, deputy assistant secretary for terrorist financing and financial crimes at the U.S Treasury Department, said Al-Haramain is a prime example of how militants are using Islamic charities.

"Certain individuals associated with Al-Haramain were using the charity itself to support terrorist groups from a logistical and philosophical standpoint ... co-mingling funds and co-mingling activities that meld the good work with bad work," he told AP. "It makes it altogether much more difficult to ferret out the bad from the good."

Charity is a central facet of Islamic ethics. In Kenya and Somalia, where many Muslims are devout and extremism hasn't taken deep root, al-Qaida operatives and sympathizers inside Al-Haramain presented themselves to philanthropists as good Muslims looking to do God's work.

In Pakistan and Indonesia, where extremists have found a broader audience, Al-Haramain advertised donations as a form of jihad, or holy war, although it did not always say the money would be used for terrorism, the intelligence official said.

With al-Qaida's recruiting efforts meeting only modest success in eastern Africa, the terrorist network used money from charities for logistical and operational expenses, U.S. officials said. In Pakistan and Indonesia, however, the charity money is used for recruiting as well.

Evidence linking Kenya's Al-Haramain branch to al-Qaida emerged following the 1998 bombings of the U.S. embassies in Nairobi and Dar es Salaam, Tanzania, simultaneous attacks that killed 231 people, including 12 Americans.

The al-Qaida cell that orchestrated the bombings was in part financed by profits from a wholesale fish business set



The Associated Press June 6, 2004, Sunday, BC cycle

up with funds from Al-Haramain and at least one other charity, said another U.S. official, also speaking on condition of anonymity.

Al-Qaida used money from charities to buy a small fiberglass fishing boat for Mohammed Sadiq Odeh, now serving a life sentence in a U.S. prison for the embassy attack, said the official, who spoke from Washington.

Following his arrest in the days after the bombings, Odeh told U.S. and Kenyan investigators that "the business was for al-Qaida." He said he was permitted to take from the profits what he needed to live on and "give the rest to al-Qaida and employees who were in al-Qaida," according to an FBI report of his interrogation.

Less than a month later, the Kenyan government banned five Islamic charities suspected of helping finance the attack, including Al-Haramain.

But at the group's Nairobi offices, it was business as usual - and Al-Haramain funds are believed to have helped support the cell that planned the hotel car bombing that was carried out four years later.

The Muslim preacher, who spoke to AP about continuing charity payments to Islamic clerics, said the man who put him on Al-Haramain's payroll - an Algerian named Ahmed Hajji - introduced him to another Kenyan preacher who was also getting money from the charity, Aboud Rogo Mohammed.

Rogo Mohammed is now being tried in Kenya on murder charges for his alleged role in the 2002 bombing at the Israeli-owned hotel north of the Indian Ocean port of Mombasa.

Hajji, who runs the Tawheed Islamic Center a few miles south of Mombasa, told AP that Rogo was only an acquaintance who helped Al-Haramain identify locations to build three mosques, nothing more.

But the Western diplomat said the money Rogo received from Al-Haramain is believed to be among the funds he used to help al-Qaida operatives rent houses in Mombasa and settle in remote parts of Kenya as they planned the hotel attack, which killed 15 people, including three Israeli tourists.

There also are indications that money supplied from charities was used to buy weapons for the attack, said the U.S. intelligence official, although there is no evidence of any explicit order to buy explosives.

Muslims make up between 10 percent and 20 percent of Kenya's 30 million people. Governments in countries like Kenya that were once reluctant to investigate charities for fear of angering Muslims have become more willing to aid U.S. moves to cut terror funding.

But in Kenya and elsewhere, a lack of investigative know-how, decades of corruption and a lack of financial oversight hamper the efforts.

In Kenya, the ease with which Al-Haramain operated changed in January, when the branch was put on the U.S. and U.N. blacklists.

But a Kenyan official, speaking on the condition of anonymity, said there is some confusion among authorities over which bureaucracy - the central bank, the national security ministry or the home affairs ministry - is responsible for shutting down charities like Al-Haramain.

Regardless, the Kenyan government lacks the legal authority to seize money from groups suspected of supporting terrorism, he said, because there is no law on the books giving officials that power.

Complicating matters is a banking industry that has been practically unregulated for decades. Setting up an account in one of Kenya's many small banks requires little documentation. Many local banks keep separate books for customers who want to avoid taxes, the Kenyan official said.

Even in the best circumstances, tracking money "is a painstaking, time-consuming endeavor," said Ted Dagne, an Africa specialist at the U.S. Congressional Research Service. U.S. investigators "have had years to develop the skills it takes to do this kind of work - and we still have a lot to learn."

—

Associated Press writer Mike Casey in Jakarta, Indonesia, contributed to this report.

**GRAPHIC:** AP Photos NY452-453 of June 4

The Associated Press June 6, 2004, Sunday, BC cycle

**LOAD-DATE:** June 7, 2004

120SG5

\*\*\*\*\* Print Completed \*\*\*\*\*

Time of Request: May 31, 2005 12:37 PM EDT

Print Number: 1862:46660716

Number of Lines: 117

Number of Pages: 4

Send To: WTCELLIOTT, COZEN  
COZEN O'CONNOR  
1900 MARKET ST  
PHILADELPHIA, PA 19103-3527



## **EXHIBIT 27**

1 of 1 DOCUMENT

Copyright 1994 News World Communications, Inc.  
The Washington Times

July 5, 1994, Tuesday, Final Edition

**SECTION:** Part A; WORLD; Pg. A9

**LENGTH:** 935 words

**HEADLINE:** Bosnia gains arms despite embargo ;  
Friendly Arab nations fund supply

**BYLINE:** Andrew Borowiec; THE WASHINGTON TIMES

**BODY:**

Weapons from disbanded Lebanese militias are pouring into the Balkans despite an international arms embargo, keeping Bosnia's Muslims supplied for an extended conflict, according to Middle East sources and intelligence reports.

The sources said the arms are being paid for by friendly Arab countries who transfer the funds through front companies based in Lebanon and Saudi Arabia as well as the Belgian branch of a French bank.

Some of these companies have been infiltrated by Serbian agents who managed to divert some of the payments to the Serbian capital, Belgrade.

The bulk of the weapons, according to Middle Eastern informants, are of Iraqi origin. But sophisticated technology has also been purchased by Bosnian Muslims in Europe.

The picture of the trade is emerging gradually, indicating an intricate web spanning the Middle East and southern Europe.

Experts believe it is just one of several channels by which arms are reaching the Bosnian Muslims in spite of the international embargo. The Washington Times reported last week that Iranian arms were reaching the Muslims through Croatia by other means.

U.S. specialists in Middle Eastern affairs said they were aware of the shipments of Lebanese arms and described the reports of large shipments as "more than plausible."

One weapons order, made available to The Washington Times, listed 5,000 AK-47 assault rifles, 100 light machine guns, 100 medium machine guns, 1,000 grenade launchers plus a large quantity of ammunition.

"There were sales we knew about, from Lebanese stocks and even individuals," said Michael Eisenstadt of the Washington Institute for Near East Policy.

"In many cases I suspect profit as the main motive," he added. "The Middle East has always been a large arms market and now Bosnia is the logical client."

"This report is more than plausible," agreed Kenneth Katzman of the Congressional Research Service. "There is always a demand for surplus weapons and the disarming of the militias in Lebanon created a large supply. Some traders like to combine it with an ideological aspect of helping Bosnia's Muslims."

Most militias laid down their arms after the 1975-1990 Lebanese civil war but large quantities remained hidden in depots, particularly of the Christian "Lebanese Forces."

"There are definitely arms shipments from the Middle East to Bosnia, but I wouldn't speculate as to who's involved," said Janusz Bugajski, Balkan affairs expert for the Center For Strategic and International Studies.

The Washington Times, July 5, 1994

Most of the weapons appear to be of Iraqi origin simply because that country sold large quantities in the late 1980s to the Lebanese Forces, which was harassing the Syrian occupation troops.

After 1991, when the Yugoslav federation fell apart, Serbian, Croatian and Muslim agents contacted Middle Eastern sources for weapons and ammunition. One of the key middlemen was Samir Geagea, former head of the Lebanese Forces, now accused of slaying a rival Christian leader in the last days of the civil war.

Informants described the depots of the Lebanese Forces as "huge," claiming that the first of at least three major shipments from Iraq to the LF included 90 tanks, 190 armored personnel carriers, 80 field guns, 136 mortars and 40,000 Iraqi-made assault rifles based on the Soviet AK-47.

When shipments to Bosnia began, even before the Serbian-Croatian war spread to involve the Muslims, the financing was reportedly handled by a Saudi "charity" known as the "Executive Committee for Bosnia's Relief Funds." The committee's official purpose was to transfer funds to Bosnia for humanitarian aid.

Another financial institution involved in the growing trade was identified as the Belgian branch of the Banque Nationale de Paris, which has an affiliate banking institution in Beirut, the BNPI-Beirut.

Sources said Turkey - and especially the Aegean seaport of Izmir - became the central transit point where weapons were unloaded from ships from Lebanese ports.

"The weapons were repackaged in Izmir and concealed on container and tanker trucks," one Middle Eastern intelligence report said. "From Izmir, the weapons-carrying convoys made a long drive to Croatia via Bulgaria, Romania and Hungary."

From Croatia the shipments were sent to Bosnia's Croatian and Muslim units. It has been much simpler to get weapons to the Muslims since they and the Croats formed a coalition against the republic's Serbs earlier this year.

As the fighting in Bosnia intensified, Muslims requested larger and more frequent shipments, indicating that financing was not a problem.

At one stage, according to the Middle Eastern intelligence report, "Sarajevo [Bosnia's capital] asked the Turks to expedite the delivery of Lebanese weapons, even at the risk of discovery and loss."

By the end of 1993, "the Muslim forces became interested not just in weapons and ammunition for immediate use, but also in military technology in order to develop some local production capabilities," the report said.

It said sophisticated military systems were purchased in East and West European countries. Arab countries provided fraudulent "end user" certificates permitting the systems to be sold in spite of the embargo on arms sales to the former Yugoslavia.

In order to reduce the risk that such purchases would be traced, Bosnian Muslims established several front companies. Three of them were identified as Onis, Glisnatza and Energo Invest.

**GRAPHIC:** Graphic, BUYING ARMS FOR BOSNIA: This is a photocopy of a list of weapons offered for sale to a Bosnian buyer by a Beirut middleman. The prices and identity of the supplier have been obliterated. The quantity is sufficient to equip an infantry brigade.

**LOAD-DATE:** July 5, 1994

120SG5

\*\*\*\*\* Print Completed \*\*\*\*\*

Time of Request: May 31, 2005 12:53 PM EDT

Print Number: 1862:46663133

Number of Lines: 72

Number of Pages: 2

Send To: WTCELLIOTT, COZEN  
COZEN O'CONNOR  
1900 MARKET ST  
PHILADELPHIA, PA 19103-3527

## **EXHIBIT 28**



3 of 6 DOCUMENTS

Copyright 1995 Charleston Newspapers  
Charleston Gazette (West Virginia)

December 03, 1995, Sunday

**SECTION:** News; Pg. 04A

**LENGTH:** 1207 words

**HEADLINE:** ISLAMIC FORCE IN BOSNIA MAY THREATEN U.S. TROOPS

**BYLINE:** Chris Hedges

**BODY:**

NEW YORK Times Service

PODBREZJE, Bosnia-Herzegovina - On a bleak, wind-swept hilltop, bearded Arab soldiers, many in the traditional black garb of Afghan fighters, stomped their feet to ward off the bitter chill, shifted their automatic rifles and cursed the impending arrival of American soldiers.

"The American tanks do not frighten us," said a fighter, standing under a black flag covered with white Arabic script.

"We came here to die in the service of Islam. This is our duty. No infidel force will tell us how to live or what to do. This is a Muslim country, which must be defended by Muslims. We are 400 men here, and we all pray we will one day be martyrs."

With the cease-fire in Bosnia, these militantly Islamic volunteers known as mujahedeen, who fought alongside Bosnian government soldiers against Serbs and Croats for much of the war, have turned their attention to what they see as the other enemies of the faith.

They are even suspected in the shooting death last month of an American civilian employee of the United Nations.

Many of these 3,000 to 4,000 men are veterans of the war in Afghanistan and are often wanted in their own countries, linked to violent Islamic groups struggling to overthrow the governments in Egypt, Algeria, Saudi Arabia and Yemen.

In their zeal to enforce a militant form of Islam that most Bosnian Muslims themselves do not espouse, the fighters, distinctive in their flowing black beards, force U.N. vehicles off the road, smash bottles of

The Sunday Gazette Mail, December 03, 1995

alcohol in shop windows and warn Christian families at gunpoint to leave Bosnia.

The mujahedeen have also vowed to kill five British citizens in retaliation for the Oct. 5 killing, by British U.N. troops, of a mujahedeen fighter who pointed a loaded pistol at them.

The killing of the fighter, a Bosnian Muslim named Elvedin Hodzic who had joined the mujahedeen, is the kind of event U.N. officials say could easily trigger clashes between the Islamic militants and U.S. troops.

The British are now locked in a war of nerves with the mujahedeen troops.

Five days after the shooting, a rocket-propelled grenade was fired at a U.N. military observer team along a mountain road. The team's armored car was destroyed, but those inside escaped with slight wounds.

Two weeks later a British U.N. patrol in the town of Zavidovici was surrounded by about two dozen heavily armed mujahedeen who threatened to kill the soldiers until Bosnian government troops intervened.

On Nov. 18, William Jefferson, a native of Camden, N.J., employed by the United Nations, was found shot twice in the head near Banovici. U.N. officials strongly suspect that he was killed by the mujahedeen, who may have taken him for British.

Most British aid workers, whose homes have been attacked and spray-painted with Arabic slogans, have left Zenica. The few who remain ride in unmarked convoys, change their routes and never go out at night. And the British Overseas Development Administration office in Zenica has placed armed guards out front and removed its signs.

"This is worse psychologically than the shelling," said Fred Yallop, the administration director.

The clash with the British has also pointed out to many aid workers the strength of the mujahedeen and the weakness of the local authorities.

"The problem," a U.N. official said, "is that the local authorities have no control over the mujahedeen. The mujahedeen are protected by the highest levels of the Bosnian government. They operate with total impunity. We do not know who controls them, perhaps no one."

Many mujahedeen fighters carry Bosnian identity cards and passports, although they often do not speak the language. And Western aid workers who report the frequent theft of jeeps and vehicles by mujahedeen troops

The Sunday Gazette Mail, December 03, 1995

say the Bosnian police are powerless to enter their camps to retrieve the vehicles.

"We see them drive by in vehicles that were stolen from international organizations and the U.N.," said a British aid worker, who asked to remain unidentified.

The mujahedeen here are based in a four-story yellow building that was once a factory in the village of Podbrezje, three miles north of Zenica, in what would be the American sector of Bosnia, and they are among the Muslim volunteers who came to Bosnia shortly after the war started in 1992.

The fighters are revered in the Arab world, and videotapes that extol their bravery are sold on street corners from Aden to Cairo.

The mujahedeen served as shock troops for the Bosnian army and have suffered severe casualties in frontal assaults on Serbian and Croatian positions. All view the West, despite the scheduled deployment of some 60,000 NATO-led troops, as an enemy of the faith they have vowed to give their lives defending.

"The American soldiers will be just like the U.N. soldiers," said a fighter wearing green combat fatigues and speaking in heavily accented Persian Gulf Arabic.

"They will corrupt the Muslims here, bring in drugs and prostitution. They will destroy all the work we have done to bring the Bosnians back to true Islam. The Americans are wrong if they think we will stand by and watch them do this."

The Bosnian-Croat Catholics who live near this mujahedeen camp, one of about 10 in Bosnia, have suffered some of the worst harassment. Many have been beaten by mujahedeen fighters and robbed at gunpoint. More than half of the Catholic families in this village have been driven from their homes. When they flee, their houses are promptly seized by the Islamic militiamen.

Jazo Milanovic and his wife, Ivka, sat huddled by their wood stove one recent evening waiting for the police. At the house of their next-door neighbor, mujahedeen fighters were carting out household items. The fighters would finish their looting before the police arrived.

"They walk in and take what they want," the 68-year-old farmer said, "and the one time I protested to them they fired a burst over my head."

The Sunday Gazette Mail, December 03, 1995

The bullet holes are still in the wall. We will all be forced out soon."

But it is not just the mujahedeen who have gained a foothold in Bosnia.

There are at least 10 Islamic charities in Zenica, including one run by the Iranian government, that many Western governments view with deep suspicion.

The charities have budgets in the tens of millions of dollars and work to build militant grass-roots organizations in Bosnia.

Human Relief International, an Egyptian foundation that is outlawed in Egypt, is one such group.

The 40 Egyptians who work for the charity in Bosnia are all wanted in Egypt on terrorism charges. Western diplomats and U.N. officials say the charities, along with the mujahedeen, have combined to create a powerful militant Islamic force in Bosnia that could be inimical to U.S. interests here.

"We are all code red," said Aiman Elhamalaway, who works for the Egyptian charity. "If we ever go back to Egypt, which we will not, our names come up bright red on a computer so the police know we should be immediately arrested."

**LOAD-DATE:** December 07, 1995

120SG5

\*\*\*\*\* Print Completed \*\*\*\*\*

Time of Request: May 31, 2005 12:52 PM EDT

Print Number: 1862:46662898

Number of Lines: 86

Number of Pages: 4

Send To: WTCELLIOTT, COZEN  
COZEN O'CONNOR  
1900 MARKET ST  
PHILADELPHIA, PA 19103-3527

## **EXHIBIT 29**

HOME SEARCH CONTACT US EMPLOYMENT MULTIMEDIA INTRANET LANGUAGE



HOME



THE SECRETARY  
GENERAL

« Our priority must be to establish the Council of Europe in Strasbourg as the true heart of Europe. »

- ▶ Curriculum Vitae
- ▶ Role
- ▶ Official engagements

- ▶ Press releases
- ▶ Speeches
- ▶ Information documents

- ▶ Webcasts
- ▶ Photo gallery 1
- ▶ Photo gallery 2



THE DEPUTY  
SECRETARY GENERAL

- ▶ Biography
- ▶ Curriculum Vitae
- ▶ Official engagements

- ▶ Speeches
- ▶ Press Releases

- ▶ Photo gallery

Print document Send the link

## INFORMATION DOCUMENTS ▲

SG/Inf(2000)32 / 27 September 2000

# Report by the Special Representative of the Secretary General of the Council of Europe in Bosnia and Herzegovina covering the period from July to September 2000

## Overview

1. Political situation 22
2. Legal Affairs 66
3. Human Rights 77
4. Education 88
5. Activities and visits 1111
6. Economic situation 1313
7. Conclusion 1414

1. Political situation

### 1.1. Common Institutions

The past week has seen mixed progress on the stony path towards creating BiH joint institutions. The BiH House of Representatives adoption of the new Law on State Treasury was a fundamental step forward in strengthening that institution and when fully implemented, it should create a tighter grip on how public money is spent, as well as more severely limiting its misuse. However, the longer-term prospects for revenue collection will undoubtedly become intensely controversial, particularly within the RS, and little more is likely to be achieved before the November 2000 elections. The issue of car insurance levies between BiH and FRY has been rather less encouraging, with confusion and uncertainty over lines of authority being helped along by institutional decision-making processes which seemed at times to be driven by smoke and mirrors. Mr. Spasoje Tusevljak, the Prime Minister, surprised the public and the International Community when he stated just after the inauguration of the new Council of Ministers that not very much could be expected from new Government as the holiday season was coming. This was not so popular a statement, particularly for somebody who had just taken over the Government leadership over Bosnia and Herzegovina. Mr. Tusevljak is at the same time professor of the University and says, "both these jobs can easily be done".

There is continuing tension between the Parliament of BiH and the Council of Ministers in the sense that they are accusing each other for poor results of State Government.

### 1.2. War Criminals

The arrest of two major war criminals, Radovan Karadzic and Ratko Mladic is likely to take place very soon. Representatives of the International Community in Bosnia and Herzegovina are making more and more announcements but opinions are divided. While some people see their arrest as a major blow for stabilization and peace efforts in the region some internationals believe this issue was given too much attention when there are more important things to think about. Officials of ICTY are constantly making the arrest announcements, in particular Prosecutor Mrs. Carla del Ponte, who promised to arrest two major suspects by the end of the year. Certain SFOR units are being trained particularly for this task.

### 1.3 Army



- ▶ Former Secretaries General
- ▶ Former Deputy Secretaries General
- ▶ Archives

The cooperation of the Entity Armies and the Standing Committee for Military Matters was described as very good. There were even some engineering works performed together by FBiH and RS armies. Even though every military official declares readiness for Bosnia and Herzegovina to join Partnership for Peace, the RS Army officials at the same time strongly reject any idea of a unified Bosnian Army which is one of the major preconditions for Bosnia and Herzegovina to join PFP. This seems to be a very sensitive issue and should be approached with utmost caution. The unified Bosnian Army is definitely a future but the timeframes are for the time being difficult to define.

#### 1. 4 Resignation of Dr. Jadranko Prlic and dismissal of West Mostar University Rector

The Minister of Foreign Affairs of Bosnia and Herzegovina, Dr. Jadranko Prlic, offered to the HDZ (Croat Democratic Union) his resignation from all positions within the party. This event took place following the dismissal of the Rector of Mostar West University, Mr. Tadic, who has been dismissed by the Steering Board of the Croat Community of Herceg Bosna (a sort of legal successor of illegal state of Herceg Bosna, whose primary political aim was to annex the south-west part of Bosnia and Herzegovina to Republic of Croatia). Mr. Tadic's fault was to establish an Association of Croats from Bosnia and Herzegovina and to decide to remove old photographs of politicians and war leaders from University premises. These actions resulted in his dismissal by a body which is not at all supposed to be dealing with such issues in the first place. This was the President of the Croat Community of Herceg Bosna, Mr. Vladimir Soljic, member of HDZ and member of Parliament of Bosnia and Herzegovina.

Mr Tadic was a visionary who had the idea of bringing an integrated system of third level education to Mostar; this was in conflict with the beliefs of the hard-line factions of the HDZ. At this juncture it is hard to see why such a stance was taken by HDZ and why they risked such a confrontation with the International Community so close to the General Elections. It is probable that the answer lies in the comments of the Governor of Canton 7, who stated that HDZ had made several compromises to the International Community with the promises of funding for the city of Mostar. HDZ reckons that these compromises could be easily sold to the HDZ electorate with the influx of money and jobs. HDZ feels that these promises of money and jobs were not forthcoming and said future compromises would be difficult to achieve and the University was such an issue. HDZ has dug in its heels in the face of the International Community overt support for Mr Tadic and the support of the moderate faction of HDZ. The International Community now has an embarrassing situation on its hands with HDZ having pushed the issue to the utter limit, defying the wishes of the International Community. This issue is not finished yet and the sparring between the International Community and HDZ over the issue will continue, but a resolution to the liking of the International Community may indeed rest in the legality of the decision of the Mr Covic led action being correct or not. Mr Tomic, the Mayor of Mostar, will not make any hasty decisions regarding his membership in the HDZ but the difficulties he will come across from HDZ may indeed speed his demise from the party.

#### 1. 5 No confidence vote in the RS Government by the RS National Assembly (RSNA)

On 11 September 2000 the RSNA gave a vote of non-confidence to the RS Government on its 7<sup>th</sup> extraordinary session held on 4<sup>th</sup> of September 2000. The decision came unexpectedly after a proposal of SDS that this question be put on the agenda of the session. This is not the first time SDS tried to put this topic on the agenda but former constellation in the PA (existence of SLOGA coalition and support of CD Coalition to PM Dodik) prevented them from doing so earlier. 43 MPs voted in favour of non-confidence (42 was necessary) while CD Coalition decided not to vote. The Government will continue to work until new PM is appointed which brings RS into a constitutional crisis due to fact that the PM is appointed by President of RS who (Mr Nikola Poplasen) has already been removed from his office by decision of the High Representative. The Government is ordered by the PA to continue their work until new Government is formed but without any right to sell or buy property of RS, make financial deals etc. This decision was declared as unconstitutional by OHR as it brings RS into very serious situation. The PA was described by OHR as unserious because of the decision about non-confidence two months before General Elections. New PA will be formed based on the results of GE and new President will be elected who must then appoint new PM. This process will take some time meanwhile leaving RS without legal Government. However, the major cause of this political crisis may in part stem from the behaviour of Mr Dodik. His manner of ruling the RS, dealing with the opposition within the RSNA, dealing with the political parties not in Sloga but who normally supported the government (DNS and KCD) may at times have been perceived as brusque and insensitive. The final straw for his opponents appears to have been the removal of personnel from the boards of state companies, without any semblance of referral to the RSNA. At the 7th Extraordinary Session, the RSNA interpretation of 'Caretaker Capacity' is that this effectively removes Mr Dodik's power to implement these removals. Recent statements by Mr Dodik to the press however indicate that this is not Mr Dodik's interpretation



of things. The amount of money that flows through these companies, in an otherwise almost bankrupt economy, makes control of them very important. Funding for the election has to come from somewhere. It appears that Mr Dodik has read the writing on the wall in respect of his diminishing chances of success in the election for the RS Presidency. His actions in the RSNA during the past week may have done nothing to assist him in acquiring the second preference votes of Bosniaks and will have further distanced him from the DNS. However it is assessed that it is unlikely that he will change his approach or actions for the remainder of his government's term of office. This can only increase the political turbulence in the RS for the coming weeks.

#### 1. 6 Results of the pre-election research

UN Development Fund completed the research of the public opinion. The results showed a growth of popularity of oppositional parties, both in Federation of Bosnia and Herzegovina and in Republika Srpska. It is the case that none of the national parties can gain more than 40% within its own people. Precisely, the figures are following: SDA 21,9%, SDS 32,2% and HDZ 39,4%. There is a trend of political profiling in Bosnia and Herzegovina where now majority of voters thinks that only 5 parties in Federation (SDA, HDZ, SDP, SZBiH and NHI) and 6 parties in RS (SDS, PDP, SNSD, SNS, SDP and Radisic's SPRS) can gain more than 3% of votes in order to be represented in the Parliament. In order to preserve fair presence in the Parliament the OSCE decided to apply new rule for the elections. This is a positive trend, having in mind that Bosnia and Herzegovina had large number of parties for the General Elections in 1998 and smaller parties were those who consumed majority of votes to be given to oppositional parties. General Elections in 1998 hosted 69 political parties and 9 coalitions, compared to "only" 44 parties and 1 coalition take part in 2000 General Elections.

#### 1. 7 Political parties in Federation prior to General Elections

The breakup of the CD Coalition, headed by SDA (Bosniak national party) is one of the major events in Federation of Bosnia and Herzegovina. SDA is losing support throughout the Federation of Bosnia and Herzegovina rapidly. How serious the situation is, is shown by the following example. The HDZ (Croat national party) congress that took part in July was followed by a very unusual event. The former Governor of Sarajevo Canton Mr. Midhat Haracic (member of SDA and close friend of Mr. Alija Izetbegovic) addressed the congress by offering HDZ a coalition, as he believes that the future of Bosnia and Herzegovina lies in the hands of moderate national parties. The initiative was welcomed but no written agreement has been made so far.

#### 1. 8 Political parties in RS prior to General Elections

The political parties in RS are waiting for the FRY elections results. The SNS has even said that the party's strategy will change, depending on the victory or defeat of FRY President Milosevic. However, there is a strong belief that SDS will win the elections. In addition, there is a feeling that SPRS is approaching more and more towards SDS. In eastern RS there has been a private meeting attended by the Member of BiH Presidency, Mr Zivko Radisic (Bosnian Serb, SPRS), the President of RSNA, Mr Petar Djokic (Bosnian Serb, SPRS), the Chairman of the Council of Ministers of BiH, Mr Spasoje Tusevljak (Bosnian Serb, but former political adviser of Mr Karadzic), the Vice President of RS, Mr Mirko Sarovic (Bosnian Serb, SDS). The official reason for the meeting was the political situation in RS but there is also an opinion that this was a preparatory meeting for the announcement of the new coalition in RS. The expectation that Mr Ivanic will be the next PM is very high within the PDP and indeed this is being an openly touted subject in international community circles. The PDP has worked hard at not taking sides in the current political set-up, so this policy is a high risk one that could easily be seen as playing both ends against the middle, and one which may need altering as the election draws closer. It is apparent that the PDP sees the SDS as being the most likely winners of the November 2000 elections, hence the PDP comments about undue and unbalanced International Community interference in the RS due to a strong "Sarajevo influence". Such comments are just the sort of thing that the SDS and their voters believe (whether it is true or not is irrelevant). If the PDP gains 25% of the RSNA seats as they hope, then they will be the king-makers in the RSNA. This target of 25% is possible as it is expected the SNS of Biljana Plavsic and SPRS will suffer severe losses, and the SRS are banned. However, accurate predications at this stage are difficult this early in the campaign. The independent RSNA Deputy Mr Ostojica Knesevic also believes the SDS will be the winners in the November elections and the movement of the SPRS towards the SDS (as well as the SPRS weakness) may well be the reason he chose that party in which to present his candidacy.

#### 1.9 Mujahedins from Bocinja

The case of Mudjahedins from Bocinja (religious believers from Islamic countries who came to Bosnia and Herzegovina to fight on the Bosniak side during the war) who are living in the village of Bocinja (previously inhabited by Serbs) seems to be resolving itself without conflict. Most of the houses have now been emptied and are waiting for their prewar owners to return. The whereabouts of these people is for the time being unknown. The religion these people are practicing is unusual even for Bosnian Muslims who have always been pro western orientated. They live in compliance with Sheriet Law but do respect laws of the country. The Vehabijes, a completely new religious community is being formed in Bosnia and Herzegovina under the influence coming from Middle East.

During his visit to Bosnia and Herzegovina the Saudi Prince Selman bin Abdul Aziz, Head of High Saudi Committee for Assistance to Bosnia and Herzegovina stated the shocking fact that Saudi Arabia had donated so far the sum of 200 M DEM for people of Srebrenica, and that it had become obvious that this money never reached the people of Srebrenica. The question as to where it went remains open. It seems that yet another case of corruption in the country is appearing.

#### **1.10 Investigation about assassination of Mr. Jozo Leutar**

The Federation Deputy Minister of Interior, Mr. Jozo Leutar, was murdered in March 1999 in the center of Sarajevo by a remotely activated bomb planted in his official car. His murder resulted in a major setback for the Federation of Bosnia and Herzegovina and its institutions. Croat members of the Government of FBiH and Bosnia and Herzegovina boycotted the work of these Institutions for some time and mainly refused to come to work in Sarajevo, as they feared for their lives. An investigation of this character was never before seen in Bosnia and Herzegovina. The investigation was performed by the US Federal Bureau of Investigation (Anti-terrorist squad), UNIPTF, SFOR, Federal Ministry of Interior, and Federal Ministry of Justice. After almost a year and a half, Special Forces of the Ministry of Interior of the Federation of Bosnia and Herzegovina and Ministry of Interior of Republic of Croatia arrested four Bosnian Croats in connection with this crime: Ivan Andabak, Dominik Ilijasevic, Zoran Basic and Zeljko Cosic. They were arrested during the past two weeks and are to face trial for terrorist acts against the Federation of Bosnia and Herzegovina. The crime has turned out to be an assassination by the Croat mafia in Bosnia and Herzegovina, who realized that Mr. Leutar posed a serious threat to their activities. Ambassador J.P. Klein, SRSG of the UN in BiH, accused Croat officials in the Federation of a lack of cooperation during the investigation.

### **2. Legal Affairs**

#### **2.1 Election Law**

Being a precondition for the accession of Bosnia and Herzegovina to the Council of Europe, the Election Law is being treated with urgency. Collegiums of the Parliament of BiH formed, on 17 July 2000, a working group for the preparation of the Election Law of Bosnia and Herzegovina. Since then the Group has met several times but failed to prepare the draft and submit it to the Parliament. One of the salient issues is the election of the members of the Presidency and implementation of the decision of the Constitutional Court of Bosnia and Herzegovina about the constituency of all three peoples on the entire territory of Bosnia and Herzegovina. As the decision of the Constitutional Court has not yet been published in the Official Gazette, the Working Group apparently "cannot implement the decision in the new Election Law".

#### **2.2 Law on Ombudsman of Bosnia and Herzegovina.**

The Law on the Ombudsman for Bosnia and Herzegovina is still waiting in the Parliament of Bosnia and Herzegovina. The Venice Commission has prepared the Draft Law but the Parliament of Bosnia and Herzegovina failed to adopt it as they wish to amend it by entering the tripartite system (three Ombudsmen). Parliamentarians believe that one person cannot impartially represent all three peoples in Bosnia and Herzegovina. This Law is essential for the establishment of the Ombudsman for Bosnia and Herzegovina as this institution, which is currently headed by Mr. Frank Orton, intends to become fully "Bosnified" by year 2003.

### **3. Human Rights**

#### **3.1 Ombudsman Institutions (FBiH, RS, State)**

Contrary to the situation in the Federation of Bosnia and Herzegovina, where the Ombudsmen of the FBiH are working full time elaborating a huge number of cases, the Ombudsmen of Republika Srpska have just recently been properly established. Now protected by the Law,



they were given offices within the OSCE Regional Centre in Banja Luka for the time being and until appropriate premises are provided by the Government of RS. The same goes for the funding of the Institution. The Ombudsmen of the Federation have their premises but financing remains mainly from the OSCE side. As already mentioned in the Legal part of the Report, the Law on Ombudsman of Bosnia and Herzegovina (state level) is blocked in the Parliament.

### **3.2 Return of refugees and displaced persons**

OHR thinks that 200,000 to 350,000 cases relating to the return of property and disrespect of human rights might have shown up in the Human Rights Court in Strasbourg if Bosnia was a member. The process of return of refugees and displaced persons continues following the same dynamics as in the previous months. The implementation of the Property legislation imposed by OHR on the field seems to be the obstacle. The returnees are coming back even if their property has not been returned. There is a significant increase in the number of camps established by refugees themselves outside their pre-war places of residence. RS authorities have interpreted this as unreasonable pressure being put on them even though they are working hard in order to enable return. The High Representative has dismissed 27 officials, mainly from Municipal Ministries for Refugees from RS and FBiH for obstruction of Annex 7 of the DPA. These officials failed to implement the decisions of the Courts, mainly on property issues, and deliberately prevented refugees and displaced persons from returning. The return of refugees is closely related to the implementation of decisions by the Human Rights Chamber, Ombudsperson and Ombudsman from both entities and Commission for Real Property Claims.

On 4 October, 10,000 refugees from the Federation are expected to return to Banja Luka despite the fact that their property has not been reclaimed. They intend to establish a refugee camp in the very centre of Banja Luka. The reaction of the RS Government was very strict saying "we will not allow the creation of a camp in the centre of Banja Luka". It is likely that this might become another humanitarian catastrophe, as the winter is coming.

### **3.3. Merger of the Constitutional Court of BiH and Human Rights Chamber**

The foreseen merger of the Constitutional Court and Human Rights Chamber was discussed at the meeting held on 1 September 2000 in OHR. The meeting was attended by Mr. Kasim Begic, President of the Constitutional Court, Mrs. Michele Picard, President of Human Rights Chamber accompanied by Mrs. Therese Nelson, Executive Officer of the HRC and Representatives of the OHR Legal Department headed by Mr. Ian Campbell. President Begic expressed his concern that the independence of the Court could be interfered with if it were left to the Parliament of BiH to regulate Court matters, taking into account the complex situation in BiH. The proposed Constitutional Law on the Constitutional Court (p. 4 points 4 and 5 of the Venice Commission Report dated 3 April 2000) with its very title implies a wide competence of the Parliament over the Court and its functioning. OHR proposed that law in question could be named "Law on the Merger of the Constitutional Court and the Human Rights Chamber". The next meeting will soon be held and the Council of Europe will keep the subject under close attention. The Law should be prepared before October so it can pass through Parliament before November elections.

## **4. Education**

### **4.1. Higher Education**

In order to improve the situation in Higher Education in BiH, the Council of Europe has been working on establishing a joint body that consists of the representatives of all parties involved in the reform of the higher education in BiH. The Higher Education Coordination Board was established in May 2000 after three years of joint efforts made by the Council of Europe and UNESCO. The primary task for the HECB is now to focus upon a workplan to be carried out by the end of the year 2000. By this time the conditions for international investment in coordinated systemic development of higher education in BiH should be met.

It was agreed that the HECB should function as autonomously as possible, and that its work should be undertaken in a professional and self-managed manner. International organisations were ready to support and facilitate the work of the HECB - responding to requests for assistance, co-chairing when necessary, and providing expertise and guidance on priority issues. The main responsibility for defining the content and implementing the work programme would lie with the members of the Board. The roles of the different organisations of the International Community were further clarified. The Council of Europe and UNESCO would continue to provide guidance and expertise to the HECB, and to assist with secretariat

functions in a period of transition. Work on issues of recognition of qualifications should aim at compatibility with the Joint Council of Europe/UNESCO Lisbon Convention, and the establishment of a national information service to operate within the ENIC network could be taken forward and overseen by the HECB. Support on other priority matters (quality assurance / open and distance education) would also be provided, and efforts of other international organisations working in this field (such as the CRE and ESIB) would be coordinated.

The next (third) working session of the HECB is scheduled for 20/09/2000 in Banja Luka (according to the rotating manner of the meeting places SA – MO – BL).

At the next session the members of the Board will work on the Guiding Principles on the Development of Higher Education in BiH as well as on the Statute of the board and its role in internationally supported projects.

#### **4.2. Human Rights Education and democratic citizenship**

The second training seminar on Human rights teaching and democratic citizenship was held in Brcko from 08/09 – 10/09/2000. The Council of Europe trainers, Mr. Rolf Gollob and Mr. Peter Krapf, continued the training started in May 2000, and worked for two days with the new participants (teachers of Brcko district) as well as the participants from the May seminar. Thirty-five participants of this seminar were trained in Human Rights education, conflict resolution, teaching methods etc.

Follow-up seminars have been scheduled for the next two years and will be performed with the same trainers in periods of three months (4 per year).

The seminars have been shown to be a great success and were given written permission by the Head of the Education Department of the Parliament of Brcko District.

At the end of the training period it is expected that there will be approximately 150 well-trained teachers and teaching staff that will create a good core for a self-sustainable training mechanism. In order to reach this goal the Council of Europe training team have started to prepare the training of local Peer Support Groups.

#### **4.3. Ministerial conferences**

A joint initiative by the Council of Europe and OHR together with other international organisations in the area of education resulted in regular monthly meetings of the Conference of the National Ministers of Education in BiH. The meetings are co-chaired by the Council and OHR. The main topics of the Ministerial Meetings are : The textbook review, curricular modules etc...

At the moment the first phase of the textbook review has been completed. The most insulting and obviously offending materials have been removed from the textbooks used in BiH. The results of the review are best in «the Bosniak part» of the Federation of BiH where the new edition of freshly printed textbooks are printed without the insulting parts. In other areas of BiH the textbooks, with sections blackened out, are still in use. The second edition of the review is currently underway. This phase should finally get all disputable materials out of the textbooks used in BiH. After the end of the second phase of the review all textbooks in BiH should have BiH as their sole country of reference since, currently, children in the RS (which imports some textbooks from Yugoslavia) learn that the capital of their State is Belgrade.

In order to improve the return of minorities into the areas where they used to live the Council of Europe and OHR proposed that all curricula, namely Bosniak, Croat and Serb, adopt a certain number of hours that would be intended for the children to learn about the language, history, culture and culture of religions of other nations living in BiH. These curricular modules will also help the minority children to learn more about the culture, religion and language of their roots. The dispute with the curricular modules arose with the exact number of hours that should be used per year. The international community proposed that there be 20 + 20 hours per year in each curricula in BiH (For example : in RS curricula there should be 20 hours of Bosniak culture, language and literature and 20 hours of Croat culture, language and literature per year). The Federation Minister (Mr. Fahrudin Rizvanbegovic) accepted the proposal and will include it into this year's curriculum, while the RS Minister of Education, and the Bosnian Croat Deputy Minister of Education rejected this proposal. The OHR is close to finalising this issue by imposing it in the whole territory of BiH.

#### **4.4. Europe is more than you think**

«Europe is more than you think» is the Council of Europe publication intended for use in primary and secondary schools in BiH. This publication explains the Council of Europe role and closely focuses on the Council's structures. The booklet is intended for the use of teachers and students.

Minister Rizvanbegovic gave a very positive opinion of the publication and recommended its use in the schools in the Federation of BiH, in both Latin (85%) and Cyrillic (15%) versions as agreed earlier. The meeting with the Minister of Education of the RS is scheduled for the next month. The dissemination of the material in the Federation will start next month.

#### **4.5. CoE leaflets**

«The Council of Europe – General facts» and «The Council of Europe and Human Rights» are two leaflets intended for wide distribution. The leaflets have been translated into the local languages as well as in the languages used in Kosovo and are currently being printed. Distribution will follow shortly.

#### **4.6. Culture**

The Ministries of Culture of the Federation and RS are working on a joint project of adoption of standards set up by the Council of Europe that interpret the cultural policies of the member States of the Council. According to Council standards and resolutions, the state budget for culture should not be lower than 1% of the overall state budget. Currently in the Federation the budget is foreseen to be 0.6% for culture, and only 0.4% in RS. The Sarajevo Office of the Council will make efforts to press Parliaments and Governments to adopt these standards in the field of culture.

### **5. Activities and visits**

#### **5.1 Visit of the Rapporteur for the accession, 9–13 July 2000**

The Council of Europe Rapporteur for the accession visited Bosnia and Herzegovina from 9–13 July 2000. Mr. Laszlo Surjan from Political Affairs Committee visited Banja Luka and Sarajevo and met with officials from both entities' Governments, army commanders, religious leaders, members of the International Community in Bosnia and Herzegovina and SFOR. At the Press Conference held on the last day of his visit, Mr. Surjan welcomed the progress in accomplishment of requirements for the accession and pointed out the necessity for the Election Law to be adopted by the Parliament of Bosnia and Herzegovina.

Delegation consisted of:

Mr. Laszlo Surjan, PAC of PA of the CoE

Mr. Catherine Hugel, Secretary of the PAC of PA of the CoE

#### **5.2 Visit of Mr. Hans-Peter Furrer, Director General DGAP, 11 –12 July 2000**

Mr. Hans-Peter Furrer, Director General of Political Affairs, visited Bosnia and Herzegovina from 11-12 July in order to prepare the beginning of the Council of Europe' Campaign on Diversity. He had meetings with Mr. Ibrahim Spahic who will be in charge of this campaign. The Campaign is scheduled to effectively start in early 2001.

Delegation consisted of:

Mr. Hans-Peter Furrer, DGAP

#### **5.3 Visit of DGAJ representative, 11 – 16 July 2000**

Ms. Heike Alefsen from DGAJ visited Bosnia and Herzegovina from 11 July to 16 July 2000. During the mission Ms. Alefsen visited Banja Luka and Sarajevo and met with both entities' Ministers of Justice, Public Prosecutors and Presidents of Judges and Prosecutors Associations.

Delegation consisted of:

Ms. Heike Alefsen



#### **5.4 Seminar on Federal structures in Europe, 26 – 28 July 2000**

The Council of Europe and the German Embassy in Bosnia and Herzegovina organized a seminar on 26-28 July 2000 with title "Federal structures in Europe". The seminar was held in three major cities in Bosnia and Herzegovina, Banja Luka (26.07), Sarajevo (27.07) and Mostar (28.07). The seminar involved the participation of experts from federal States of the Council of Europe i.e. Federal Republic of Austria, Belgium, Germany and Switzerland, and members of the Venice Commission. Active media coverage followed the seminar.

Delegation consisted of:  
Mr. Thomas Markert, Venice Commission Secretariat.

#### **5.5 Round Table on Media and Judiciary, 14 September 2000**

Council of Europe Media Section of the DGDH and UNMIBH Judicial System Assessment Programme organized a Round Table on Media and Judiciary on 14 September 2000. Experts from the Council of Europe took part in a Round Table discussing how much can be mentioned in newspapers without the non-respect of Human Rights and privacy.

Delegation consisted of:  
Mr. Mario Oetheimer, Media Section of DGDH

#### **5.6 Public Broadcasting sector**

OHR strategy regarding the reform of public broadcasting sector in BiH has evolved to meet changing political environment. Peace Implementation Council prefers building the institution on the state level rather than Entity level. A substantive discussion between the Entities is required.

#### **5.7 Start of the Joint Programme of the Council of Europe and US State Department**

The first of ten training seminars for judges, prosecutors and other practicing lawyers on certain aspects of the European Convention on Human Rights (with a special focus on criminal law matters) took place on 18 September 2000 in Sarajevo. This training programme, which is also to include training on the domestic implementation of newly adopted legislation in BiH, will be implemented over the next three years, with funding from the U.S.

Delegation consisted of:  
Mrs. Maggie Nicholson, DGDH

#### **Forthcoming activities**

##### **5.7 Course on ECHR for Law students**

Council of Europe DGDH and Glasgow Law School shall organize a course for Law students from Mostar, Banja Luka and Sarajevo from 25-30 September in Mostar.

##### **5.8 Workshop on the Future of Youth Work In Bosnia and Herzegovina**

Second workshop of three will be held from 23-29 September in Brcko

##### **5.9 Workshop on the Future of Youth Work In Bosnia and Herzegovina**

Third workshop will be held from 5-10 December in Sarajevo

#### **6. Economic situation**

Concerning the economic situation certain progress has been noted particularly with regard to the privatisation process. Both entities and other privatising agencies are working continually and in accordance with rules and regulations. The privatisation process itself is not so transparent. Independent media wrote about certain incorrectness during the process of privatisation of Hotel Holiday Inn in Sarajevo and this process is about to be revised. The privatisation must be completed.

The situation with process of abolition of Payment Bureau is following the same dynamics as before and should be ended up by the end of the year. The International Advisory Group established Working Groups in both entities whose primary goal is to provide assistance in transferring the specific functions of the Payment Bureaus to other institutions. Implementation plans for the transfer of each function has now been prepared.

Overall strategy for the future must include strengthening of financial police which is again related closely to independent judiciary.

Action begins for the Balkan Enterprise Facility. The offices are established in Sarajevo, Banja Luka, Skopje, Pristina and Tirana with main aim to support of small and medium enterprises as well as individuals and institutions that serve the needs of small and medium enterprises. Initial meeting of the donors are planned for 21<sup>st</sup> – 23<sup>rd</sup> September 2000 in Sarajevo

#### 7. Conclusion

In general, the situation is improving, and the results of the General Election scheduled for 11 November 2000 might introduce a new setup of the Parliament of Bosnia and Herzegovina thereby unblocking the current stasis. The awareness of the public is constantly rising, hence creating the impression among the citizens of Bosnia and Herzegovina that decision-making by politicians can be influenced by the public. The US Institute for Peace recently published a document which gives the main directions in terms of modification which should be done to the DPA. There is an ever-growing opinion that the Dayton Peace Agreement cannot offer anything else and therefore it must be modified in such a way that it can respond to the needs of modern democratic society. The fact is that the DPA has been neither fulfilled nor exhausted. The political orientation and aims of the people currently in power make its implementation practically impossible.

One sign of progress can definitely be seen in the joint BiH Olympic Team. Men and Women from both entities were presented together prior to their departure to Australia. This is the first time Bosnia and Herzegovina has one team to represent it.